Meet the Moment: Price Pollution to Protect our Future

Addressed to:

The Right Honourable Mark Carney
Prime Minister, Leader of the Liberal Party

The Honourable Pierre Poilievre
Leader of the Opposition, Leader of the Conservative Party of Canada

The Honourable Jagmeet Singh
Leader of the New Democratic Party

The Honourable Yves-François Blanchet
Leader of the Bloc Québécois

The Honourable Elizabeth May
Co-Leader of the Green Party of Canada

Mr. Jonathan Pedneault
Co-Leader of the Green Party of Canada

Dear federal party leaders,

We, the undersigned, are writing to remind you that while the consumer price on carbon is being rejected by most federal parties, its political fate has not dissuaded Canadians from the responsibility we feel to protect our kids from pollution. Nor has the loss of political favour changed the reality that climate change driven by carbon pollution is an existential threat to a livable future for ourselves, our children, and future generations.

With an impending election dominated by US threats to our economy and sovereignty, years of hard-fought and critically important climate gains in Canada are at risk if policymakers turn their backs on pollution pricing.

We are asking you to step up to meet the moment for Canadians. We expect each party to commit to pollution pricing and clearly outline their plan for reducing emissions while maintaining affordability.

Most Canadians agree we should take responsibility for our pollution messes. A majority of Conservative, NDP and Liberal supporters[1] know that eliminating the carbon price isn't the best way to make life more affordable.[2] It should come as no surprise, then, that almost two-thirds of people across Canada remain open to voting for a party that will defend these principles by holding onto pollution pricing.[3]

This commitment we continue to show to cleaning up the pollution that threatens Canada's magnificent lands and waters via climate-change-driven wildfires, drought and biodiversity loss is both admirable and practical. Pollution pricing is fundamentally about care for our kids and future generations. We owe it to them to do all we can right now to protect the planet on which their wellbeing and livelihoods will depend. When we fail to pay for our pollution today, we let down all those who follow us by making them pay even more dearly in the years to come.

Pollution pricing is also about protecting our health. Burning fossil fuels drives the climate crisis, which science confirms is the greatest global health threat of the 21st century.[4] Air pollution generated by fossil fuel combustion has also been linked to one in seven[5] premature deaths in

[1] Results for the Green Party were not available due to sample size.
[2] Generation Squeeze (2025). No party is really listening to Canadians when it comes to pollution pricing . https://www.gensqueeze.ca/pollution_pricing_poll
[3] Abacus Data. What Policy Ideas Attract and Repel Canadian Voters? A look at the "Third Rails" of Canadian Politics. April 2024. https://abacusdata.ca/policies-canadian-politics-attract-repel/
[4] The Lancet (2009). A Commission on climate change, vol. 373 (9676). https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(09)60922-3/fulltext
[5] Vohra et al. (2021). Global mortality from outdoor fine particle pollution generated by fossil fuel combustion: Results from GEOS-Chem. *Environmental Research* (vol. 195).

Canada. Paying for our pollution helps limit these harms now, reducing mortality and morbidity, and improving quality of life. Pricing pollution also protects our nation's medical investments by mitigating climate-related risks, both to Canadians' health and to our health-care systems, already strained to capacity.

Canadians' ambition should be matched with strong commitments by you, our political leaders. We commend Canada's leadership on pollution pricing to date, and hope to see parties commit to even stronger measures in the upcoming election. This is more important than ever, since pollution pricing expands Canada's options to respond to economic threats from the United States.

To reassure Canadians that your platforms will not betray our kids or undermine our health and economic sovereignty, **we ask that you respond to the following three questions**:

1. Will you commit to upholding pollution pricing as a key element of your party's climate, health and economic platform? If so, in what ways?

2. Will you protect and enforce existing, highly effective pollution pricing targeting industrial emissions (i.e., the large-emitter trading system)?

3. If you will reject the existing consumer carbon price and rebate system, how will you make up (or exceed) the 14%[6] of lost emissions reductions?

Canadians deserve clear, accountable leadership on pollution pricing. We look forward to hearing each of your responses.

Signed,

Dr. Paul Kershaw
University of British Columbia policy professor
Founder, Generation Squeeze

Dr. Melissa Lem
President
Canadian Association of Physicians for the Environment

https://www.google.com/url?q=https://www.sciencedirect.com/science/article/abs/pii/S0013935121000487&sa=D&source=docs&ust=1742830664985025&usg=AOvVaw1jDI64HIW31IC-xM-hMN1E

[6] 440 Megatonnes (2024). Which Canadian climate policies will have the biggest impact by 2030? https://440megatonnes.ca/insight/industrial-carbon-pricing-systems-driver-emissions-reductions/

Appendix: The rationale for pricing pollution

Pollution pricing matters for the health of people across Canada

Science is clear that pollution is bad for our health. Putting a price on harmful pollution encourages all of us to pollute less. This is tried and true economic logic: tax more what we don't want, and tax less what we do want. By adding disincentives, a price on pollution helps curb toxic pollutants with near-term health impacts, as well as greenhouse gas emissions which drive climate-related health risks over the longer term.

Climate change is a health emergency that costs lives. The World Health Organization (WHO) has identified climate change as a health crisis, and the greatest global health threat of the 21st century.[7] Climate change is affecting our health today via extreme heat, changing incidence in infectious diseases, wildfires and wildfire smoke, flooding and drought. These give rise to secondary effects, such as housing and food insecurity, migrant and refugee flows and economic disruption. No Canadian is immune, but younger Canadians – who have contributed the least to the crisis – are at risk of being disproportionately harmed. Evidence indicates that young people are particularly susceptible to negative climate emotions and anxiety.[8] Studies have linked climate change to depression and suicide,[9] and air pollution – a major byproduct from the burning of coal, oil and gas – is a demonstrated risk factor for depression and suicide.[10] All listed health impacts are expected to increase drastically as climate change worsens over the coming decades.

The scientific evidence on near-term health effects from air pollution is increasingly clear. Health Canada estimated in 2021 (based on 2016 data) that air pollution contributed to 15,300 premature deaths per year in Canada.[11] A 2021 Harvard study found that a much higher total number of premature deaths in Canada – 13.6% or roughly 1 in 7 – were attributable to

---

[7] World Health Organization (2023). WHO issues urgent call for global climate action to create resilient and sustainable health systems. https://www.who.int/news/item/24-05-2023-wha76-strategic-roundtable-on-health-and-climate

[8] Field, E. & Galway, L. (2023). Climate emotions and anxiety among young people in Canada: A national survey and call to action. https://www.yorku.ca/unsdgs/toolkit/wp-content/uploads/sites/617/2023/05/1-s2.0-S2667278223000032-main.pdf.

[9] Bourque, F. & Willox, A.C. (2014). *International Review of Psychiatry* 26 (4). Climate change: The next challenge for public mental health? https://www.tandfonline.com/doi/full/10.3109/09540261.2014.925851

[10] Liu, Q. et al. (2021). *Environmental Science and Pollution Research* 28 (8). Association between particulate matter air pollution and risk of depression and suicide: a systematic review and meta-analysis. https://link.springer.com/article/10.1007/s11356-021-12357-3.

[11] Health Canada (2021). Health Impacts of Air Pollution in Canada: Estimates of morbidity and premature mortality outcomes. https://www.canada.ca/en/health-canada/services/publications/healthy-living/health-impacts-air-pollution-2021.html.

exposure to fine particulate matter generated by fossil fuel combustion.[12] To be blunt, pollution kills. By curbing pollution, well-designed price signals can save lives and improve the health and well-being of people across Canada.

The health benefits of meeting our climate change goals far outweigh the costs. According to the WHO Special Report on Climate Change and Health (2018), "the value of health gains from climate action would be approximately double the cost of mitigation policies at global level."[13] For this reason, the Paris Agreement is rightly characterized by the WHO as one of the strongest *health* agreements of the past century.[14]

In Canada, projected health costs from climate change are expected to rise substantially over the coming decades, and to skyrocket if ambitious climate action is not taken. For example, heat-related deaths could cost $5.2 to $8.5 billion per year by the end of the century, while annual heat-related productivity losses could range from $6.6 to $14.9 billion.[15] This could add incredible pressure to Canada's already overburdened health system – unless effective policy solutions like pollution pricing lower long-term costs.

Pollution pricing plays a critically important role in lowering Canada's emissions

Pollution pricing is an essential component of Canada's suite of climate policies. Both the consumer-facing 'carbon tax' and the industrial large-emitter trading system (LETS) have played a key role in bending Canada's emissions curve downwards.

The Canadian Climate Institute's March 2024 analysis projects that the industrial carbon pricing system will be the single biggest driver of emissions reductions in Canada from 2025 to 2030. According to Navius modelling, the LETS accounts for up to 48% of emissions reductions over this five-year period in a scenario where this policy interacts with all other policies stemming from Canada's Emissions Reduction Plan.[16]

---

[12] Vohra et al. (2021). Global mortality from outdoor fine particle pollution generated by fossil fuel combustion: Results from GEOS-Chem. *Environmental Research* (vol. 195), https://www.sciencedirect.com/science/article/abs/pii/S0013935121000487.
[13] World Health Organization (2018). Health benefits far outweigh the costs of meeting climate change goals.
https://www.who.int/news/item/05-12-2018-health-benefits-far-outweigh-the-costs-of-meeting-climate-change-goals
[14] World Health Organization (2018). Health benefits far outweigh the costs of meeting climate change goals.
https://www.who.int/news/item/05-12-2018-health-benefits-far-outweigh-the-costs-of-meeting-climate-change-goals
[15] Canadian Institute for Climate Choices (2021). *The Health Costs of Climate Change: How Canada can Adapt, Prepare, and Save Lives.*
https://climatechoices.ca/wp-content/uploads/2021/06/ClimateChoices_Health-report_Final_June2021.pdf
[16] Ibid

The fuel charge, also known as the consumer-facing carbon tax, is similarly near the top of the emissions reductions list. It ranks as the fourth most-effective policy, accounting for up to 14% of emissions reductions over the same period.[17]

International data confirm that pollution pricing is a powerful emissions reduction tool. A study of the impact of carbon pricing approaches around the world found that "introducing a carbon price has yielded immediate and substantial emission reductions for at least 17 of these policies, despite the low level of prices in most instances."[18] This finding is echoed in another recent comprehensive study.[19]

Ultimately, the success of Canada's fight against rising climate risks and costs does not depend on any one policy. However, any well-designed approach must account for the role pollution pricing plays in our current policy mix. Should any policy that evidence confirms is critical to achieving our domestic and international commitments be removed, the credibility of party platforms will hinge on demonstrating how this gap will be addressed.

Pollution pricing can help address affordability challenges

At a time when people across Canada are deeply concerned about affordability, especially in light of tariff threats from the United States, well-designed pollution pricing policy can play a constructive role in addressing this challenge.

The Parliamentary Budget Office found in fall 2024 that the fiscal-only impact of the federal fuel charge (the consumer-facing carbon tax) is progressive. It leaves average households better off.[20] This means that the vast majority – 80% – of Canadian households get back more money than they pay in most provinces.

Despite extensive misinformation to the contrary, the evidence is clear that the consumer-facing carbon price does not drive inflation. When University of Calgary economists analyzed inflation data from 2019 to 2024, they found that carbon pricing had a 'negligible' impact on inflation over

[17] Ibid
[18] Döbbeling-Hildebrandt, N. et al. (2024). *Nature Communications* 15 (4147). Systematic review and meta-analysis of ex-post evaluations on the effectiveness of carbon pricing. https://www.nature.com/articles/s41467-024-48512-w
[19] Stechemesser., A. et al. (2024). *Science* 385 (6711). Climate policies that achieved major emission reductions: Global evidence from two decades. https://www.science.org/doi/10.1126/science.adl6547
[20] Office of the Parliamentary Budget Officer (2024). A distributional analysis of the federal fuel charge – update. https://www.pbo-dpb.ca/en/publications/RP-2425-017-S--distributional-analysis-federal-fuel-charge-update--analyse-distributive-redevance-federale-combustibles-mise-jour

this period.[21] The recent elimination of the consumer carbon price instead will take away the rebate cheques that many households have used to help cover living cost increases.

The affordability crisis is complex, and in many cases, acute. Canadians need real solutions based on clear, objective analysis. The evidence indicates that eliminating well-designed pollution pricing will hinder, rather than help, address affordability issues. Better solutions to the living costs pressures facing some Canadians can be found by improving housing, parental leave, child care and postsecondary policies, among others.[22]

Pollution pricing is a cornerstone of economic competitiveness

In the face of an increasingly unpredictable United States administration, Canada has committed to diversifying its trade relationships and upholding the rules-based international order. In this context, three considerations are highly relevant for climate policy design.

First, climate policy has become an inextricable component of industrial strategy. Jurisdictions are competing to leverage a 'clean energy advantage' via low-carbon electricity systems, to attract foreign investment. As businesses are increasingly held accountable for carbon emissions of their products and supply chains, and as low-carbon products more often enjoy a competitive edge, meaningful pollution pricing policy can help secure a competitive advantage for Canadian industry.

Second, the international community will continue to seek measures to disincentivize climate pollution. Retaining pollution pricing opens new opportunities to align trade interests with global jurisdictions that are taking climate risks and costs seriously. Carbon border adjustments (CBAs) are a key tool in this quickly evolving area, with the European Union Carbon Border Adjustment Mechanism now in force, and the United Kingdom's own CBA slated to take effect in 2027. As Canada looks for ways to diversify trade, align trade policy with international partners, and explore alternative economic options in the face of United States tariffs, CBAs could play an increasingly important role in our approach to international trade. This option is only available if we continue paying for our pollution.

Third, efficiency remains an important factor when considering climate policy options. Carbon pricing has long been recommended by economists and other policy experts in Canada and globally, due to its efficiency in driving decarbonization at minimal cost. For example, Canada's

[21] Zimonnjic, P. (2024). CBC News. Carbon tax had 'negligible' impact on inflation, new study says. https://www.cbc.ca/news/politics/carbon-tax-negligible-impact-on-inflation-study-1.7408728
[22] Kershaw, P. (2022). We can't solve our wallet problems by neglecting our climate problems. *The Globe and Mail*. https://www.theglobeandmail.com/investing/personal-finance/young-money/article-climate-change-risks-and-costs/.

Ecofiscal Commission notes that carbon pricing drives emissions reductions at the lowest possible economic cost,[23] while the World Bank Group notes that "[w]ell-designed carbon pricing policies can help raise revenues in a more efficient and less distortive way than alternative options, like labor taxes, and can yield numerous benefits to society beyond climate mitigation."[24]

Considering these factors, pollution pricing remains an important, efficient and flexible component of effective climate policy design, and has benefits that extend to the resilience and independence of Canada's economy.

Conclusion

As federal parties move forward into the current election, Canada has an important opportunity to reflect on the many advantages of effective pollution pricing policy. By bolstering pollution pricing, parties can protect and build upon years of hard-fought climate gains. Canadians continue to demand climate leadership. It's up to federal parties to meet the moment with ambitious and evidence-based policy.

We cannot forget that pricing pollution is about being a good ancestor – one who wisely stewards the resources on which our kids and future generations will rely, while taking measures to protect health and well-being in the present. Good ancestors embrace the clean, inexpensive solutions that will lead to the thriving future we all want for our children.

This election, federal parties have an opportunity to listen to what Canadians are saying about taking responsibility for paying for our pollution messes, safeguarding our health, and growing our economic resilience. At the same time, they can back well-researched policy measures that address concerns about affordability, competitiveness, and the volatility of the Trump administration.

At this critical juncture, now is the time for leadership. Now is the time for all parties to embed effective pollution pricing as part of a viable approach to protecting our health, our economy and our environment.

[23] Ecofiscal Commission. Clearing the air: How carbon pricing helps Canada fight climate change. https://ecofiscal.ca/carbon-pricing-works/
[24] World Bank Group (2025). State and trends of carbon pricing dashboard. https://carbonpricingdashboard.worldbank.org/about